

**CHAPTER NO. 991**

**HOUSE BILL NO. 3096**

**By Representative McDaniel**

**Substituted for: Senate Bill No. 2311**

**By Senator Cooper**

AN ACT to amend Tennessee Code Annotated, Title 68, Chapter 11, Part 2, relative to the taxable privilege of engaging in the business or providing nursing home care.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 68-11-216(d), is amended by deleting subdivision (2) in its entirety and replacing it with the following new subdivision (2):

Effective for one (1) year beginning July 1, 2000, in addition to the fees set forth in subsection (a), each nursing home shall pay an annual nursing home tax as set forth in this subsection. Such tax shall be paid in equal monthly installments of one-twelfth (1/12) of the annual amount established by this subsection. The installments are due on the fifteenth of each following month beginning August 15, 2000, for the July 2000 installment and ending with a final payment on July 15, 2001.

SECTION 2. Tennessee Code Annotated, Section 68-11-216(d), is amended by deleting subdivision (3) in its entirety and replacing it with the following new subdivision (3):

The annual nursing home tax shall be based on the number of nursing home beds licensed by the State of Tennessee on July 1, 2000 for the fiscal year following such date, excluding beds in nursing homes specifically certified as intermediate care beds for the mentally retarded. The tax shall be uniformly applied to all licensed beds at the rate of three thousand two hundred and fifty dollars (\$3,250) per licensed bed per year. Licensed facilities which are owned or operated by an agency of the state are not excluded from paying the tax. There shall be no exclusions, deductions or adjustments applied to the tax of any licensed facility different from any other such facility. Beds licensed after July 1, 2000 shall pay a prorated amount of the annual tax for the fiscal year following such date.

SECTION 3. Tennessee Code Annotated, Section 68-11-216(d), is amended by deleting from subdivision (10) the language "1999" and substituting the year "2000".

SECTION 4. Tennessee Code Annotated, Section 68-11-216(d)(11), is amended by adding the following language at the end of the current subdivision:

Upon the approval of an intergovernmental transfer program by the Health Care Financing Administration and those funds being made available to nursing homes participating in the Medicaid nursing home program, then the amount of the annual nursing home tax as specified in part (d)(3) of this section shall be reduced by an amount that when matched with federal government funds is equal to the combined amount of state and federal dollars produced by

intergovernmental transfers and made available to nursing homes, but not to be reduced below two thousand six hundred dollars (\$2,600) per year.

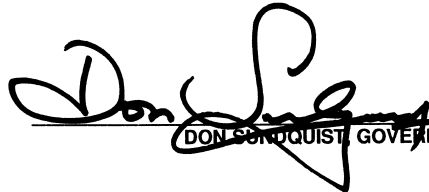
SECTION 5. This act shall take effect July 1, 2000, the public welfare requiring it.

**PASSED: June 22, 2000**

  
JIMMY RAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

  
JOHN S. WILDER  
SPEAKER OF THE SENATE

**APPROVED this 28<sup>th</sup> day of June 2000**

  
DON SUNDQUIST, GOVERNOR